



Past and present: Muhammad Yousuf Tinwala in front of his first 4-square-meter print shop (left) and the main building of Saima Packaging (right).



A Far-sighted Businessman

SAIMA PACKAGING // There are two very different sides to Pakistan's printing industry. Small and extremely small businesses predominate in rural areas, yet some print shops in business hubs such as Karachi are hardly any different from industrial enterprises in the West. Saima Packaging is a perfect example.

Karachi is definitely not a place for anyone who has a fear of crowds. With an estimated 15 million inhabitants, this city in the south of Pakistan is one of the world's largest population centers. Karachi is the country's number one industrial, trade, transport, financial and cultural hub. It comes as no great surprise, then, that it is also Pakistan's richest city. Annual per capita earnings here are four to five times the national average of around 1,000 U.S. dollars (705 euros). This inevitably attracts a steady flow of people from rural areas to the metropolis, which is now completely over-populated. Around 50 different languages and dialects are spoken in Karachi,

which is a melting pot of ethnic groups. Like other mega cities, it is a place of extreme contrasts – from the glitz and glamour of downtown Karachi to the severe hardship in the sprawling slums.

Muhammad Yousuf Tinwala knows the city and its unique features like the back of his hand. He grew up there in a two-room apartment with his parents and 10 brothers and sisters. Muhammad Yousuf worked very hard from an early age, starting from small beginnings, rolling up his sleeves and repeatedly taking risks. Today, the 62 year old likes buying expensive watches and shoes – things he could only dream of before. He is one of those people who have worked their

way to the top and made something of themselves – in this case the founder, sole owner and managing director of Saima Packaging Pvt. Ltd., one of Pakistan's largest packaging printers. Despite the watches and shoes, Muhammad Yousuf has always maintained his down-to-earth attitude. He is very conscious of his roots, of where he started out, and has not let success go to his head.

Starting out on four square meters. Muhammad Yousuf is a printer through and through. In the early 1970s, he worked as a print agent and, to earn some money on the side, founded a tiny print shop that was just 43 square feet (4 sq. m.) in size. "My first job was to ►



Employees in two shifts work 20 hours a day producing packaging for food, cigarettes, cosmetics and pharmaceuticals.

something he found difficult to accept. Once he had his own small print shop, he wanted to prove to customers that he could do better. Muhammad Yousuf still considers reliability to be extremely important. “Since Saima was founded, not one single delivery has been late beyond agreed limits,” says the self-made man with visible pride. In addition to consistently high quality, competitive prices and fast order processing, he knows that this reliability is an all-important criterion for long-term customer relationships. Indeed, in his eyes, keeping to delivery deadlines is the number one prerequisite for customer loyalty.

From cigarettes to Big Macs. From the names on Saima’s list of references, it is clear that Muhammad Yousuf knows how to obtain new customers as well as hold on to existing ones. The list includes cigarette manufacturer Philip Morris, food and hygiene multinational Unilever, U.S. pharmaceuticals company Abbott, and Reckitt Benckiser, one of the world’s leading manufacturers of cleaning products. Saima also prints the collapsible cardboard packaging in which McDonald’s burgers are sold. This involves huge print runs of up to 1 million sheets.

Printing for multinationals means complying with international standards – whether the presses are operating in Switzerland or a developing country such as Pakistan. “We have been working for many of our customers for years, so they have come to trust us and the quality we deliver,” explains Muhammad ▶

print 100 writing pads with 100 sheets each,” he says with a grin, because he will never forget the date the order was placed. “It was March 8, 1972 – the day my first daughter was born,” he recalls. The proud new father spontaneously decided to name his fledgling company after the new arrival – Saima. Three years later, Muhammad Yousuf purchased a small letterpress machine, and his side job became his main occupation. Family and friends loaned him the start-up capital of 25,000 Pakistan rupees (2,700 U.S. dollars back then). Saima Packaging now has an approx. 250,000 square feet (23,225 sq. m.) production facility. The company employs

300 staff and generates sales of just under 2 billion rupees (more than 20 million U.S. dollars, 15 m. euros). The volume of business has increased fivefold in the space of just five years.

Saima’s 20-hour-a-day, two-shift operation is devoted exclusively to printing packaging for food, cigarettes, pharmaceuticals and cosmetics. It’s no coincidence that a number of cookie manufacturers also feature among the print shop’s customers. When he was still a print agent, Muhammad Yousuf mainly worked for the local bakery industry. “There were frequent problems with print shops’ delivery reliability,” he recalls –

A street in Karachi. Some 15 million people live in Pakistan's biggest city. Around 96 percent are Muslim, while the remaining 4 percent is made up of Christians, Hindus, Ahmadiyyas and "Untouchables".



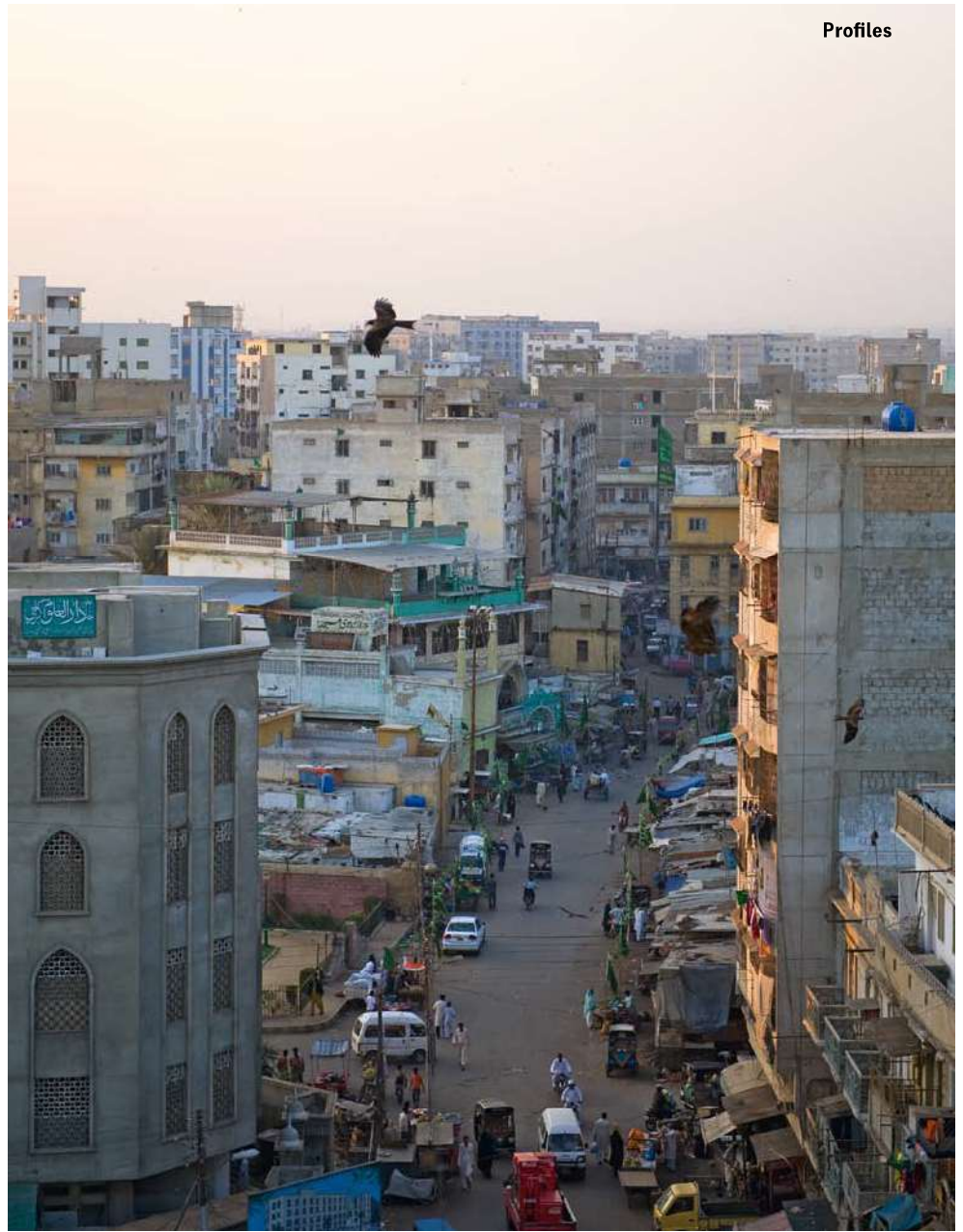


Quality control after a proof run: Saima Packaging works for numerous global customers who demand that their service providers comply with international standards.

Yousuf. He adds that the combination of quality and reliability pays off – especially now that competition is getting fiercer in Pakistan, too. In Karachi alone, there are between 400 and 500 print shops chasing orders. And this figure increases to around 1,200 for Pakistan as a whole.

Muhammad Yousuf is particularly proud of the company's collaboration with a local cigarette manufacturer, a customer he won back a number of years ago. In 2004, a six-color Speedmaster CD 102-LYYLX was purchased from Heidelberg specifically for this work. This investment enabled the print shop to significantly boost its position on the cigarette box market in Pakistan. The CD 102 is also used for other "tobacco jobs." It is fully configured for UV coating and, according to Muhammad Yousuf, "can process virtually any substrate." Saima now converts roughly 600 tons of board per month only for the tobacco category.

A long Heidelberg tradition. The CD 102 was the fourth Heidelberg machine that Muhammad Yousuf bought. This close link with Heidelberg started in 1987 with a remarketed 12-year-old machine, SORK in the 50×70 format class. Not long after this, Muhammad Yousuf exchanged the old press for a new one of the same model, and in 2002 this was followed by a CD 102 five-color press with coating unit. "Heidelberg has always had a good reputation in Pakistan," he says, explaining a decision that he has not regretted for a single second. "Quite simply, the local service is just as good as the machines themselves," he stresses. Today, Saima Packaging operates a total of eight presses covering the full range of format classes. The majority are from Heidelberg, the world market leader for sheetfed offset presses. Since last year, the flagship has been a Speedmaster XL 105 six-color press with Double Coating application. Naturally, it is also equipped for UV printing. This XL 105 is the first of its kind anywhere in Pakistan and will help Saima maintain its vital edge over the competition. Looking to the



Karachi is the country's economic center and richest city. Around 60 percent of Pakistan's tax revenue is generated here. Per capita income here is four to five times higher than the national average.

future, Muhammad Yousuf reveals: "Within the next few years, we expect to be printing exclusively on Heidelberg presses."

The future market of flexible packaging. With the help of Heidelberg, Muhammad Yousuf is keen to continue his success story. The ambitious target for 10 years' time is for Saima Packaging to generate sales of 10 billion rupees (around 115 million U.S. dollars, 84 m. euros) and thus five times more than at present. Muhammad Yousuf will be 72 by this time and, presumably, his 24-year-old son Abdul Aleem Tinwala will by then be in charge

of the business. He is already taking on ever-greater responsibility at his father's company. The father and son team along with the professional management can look forward to excellent growth prospects – especially in the market segment for flexible packaging, which is primarily used in the food industry. Examples include packets for instant soup, plastic bottles for soft drinks, yogurt cups and aluminum foil for wrapping butter. Both father and son are confident that this packaging will become increasingly popular in Pakistan, too, even though the majority of food is sold loose in rural areas. ►



Muhammad Yousuf Tinwala with his family (top) and son Abdul Aleem (right).

Muhammad Yousuf is well aware, however, that he will not achieve his ambitious growth targets simply by using state-of-the-art equipment. He also needs good, well-qualified staff, but they are difficult to find in Pakistan. “Unfortunately, we do not yet have the appropriate training structures,” he explains. Muhammad Yousuf was therefore left with no other choice but to take on the task of training staff himself and invest considerable sums in providing them with the necessary qualifications. He is well aware of how important his employees are to the success of his company and knows each of his 300-strong workforce personally. He tries to get to the bottom of their individual problems at the workplace and endeavors to find quick solutions. Muhammad Yousuf is always very well informed about all the processes at the company – and takes care of every little detail himself when necessary.

Significant changes on the market. At Saima Packaging, Muhammad Yousuf has undoubtedly created something of a “model pupil” in Pakistan. The print shop is scarcely any different from a business of a similar size in Europe, the U.S. or Japan – either inside or out. It boasts state-of-the-art prepress, press

and postpress machines. Everything looks clean and tidy, and the offices are furnished with style.

This sets Saima Packaging apart from the majority of print shops in Pakistan. Most are still small or extremely small businesses that print straightforward jobs on one- or two-color presses without any extra features whatsoever. This is typical of a developing country, but globalization and improved infrastructure have changed a great deal in Pakistan over the past two decades. In addition to numerous one-man businesses and SMEs, giant print shops have also emerged – and most have invested heavily in new machinery. Used 30-year-old presses were previously the norm, but today’s pressrooms increasingly boast the latest equipment, even by western standards.

Packaging printing is much more important than advertising printing in Pakistan. One of the reasons for this is the country’s literacy rate which is still around 50 percent. Along with the new equipment, though, quality requirements have also increased. Standard jobs in two to four colors used to predominate, but Pakistan’s multinationals now have very different demands, especially when it comes to surface finishing. Around



two-thirds of all sheets printed at Saima have at least a spot coating, for instance. Other finishing techniques – such as embossing, blind embossing, metal lamination or the use of metal pigment inks – are now also part and parcel of day-to-day business operations. “The most unusual order was definitely applying a UV coating to a metallic substrate,” says Muhammad Yousuf. But, as with everything he has tackled to date, he managed that, too. To ensure this remains the case in the future, the Tinwala family will continue rolling up their sleeves – to keep up the family tradition and because the market still demands it. ■

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Hopes and fears

With 180 million inhabitants, Pakistan has the fifth-highest population in the world after China, India, the U.S. and Indonesia. The country's official languages are Urdu and English. It was formed in 1947 from the predominantly Muslim parts of the former colony of British India. Pakistan is a developing country. According to United Nations statistics, one in six of the population lives on less than 1 dollar a day.

Before the catastrophic floods in 2010, the government was predicting economic growth of 4.5 percent, but the massive damage has dashed any hope Pakistan had of a rapid economic growth. Experts expect the reconstruction work to take many years.

Pakistan's printing industry also faces a whole host of problems. To support the domestic paper industry, the government has

been imposing high import duties on foreign paper products since 2008. As a result, high-quality paper and paper boards are difficult and costly to obtain. These underlying conditions are being exacerbated by a persistently high annual inflation rate of close to 15 percent. Pakistan's unstable political situation is causing further problems by putting off many potential investors.